

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

**JOINTLY ADMINISTERED UNDER
CASE NO. 08-45257**

PETTERS COMPANY, INC., ET AL,

Court File No. 08-45257

Debtors.

Court File Nos:

(includes:

Petters Group Worldwide, LLC;

PC Funding, LLC;

Thousand Lakes, LLC;

SPF Funding, LLC;

PL Ltd., Inc.

Edge One LLC;

MGC Finance, Inc.;

PAC Funding, LLC;

Palm Beach Finance Holdings, Inc.)

08-45258 (GFK)

08-45326 (GFK)

08-45327 (GFK)

08-45328 (GFK)

08-45329 (GFK)

08-45330 (GFK)

08-45331 (GFK)

08-45371 (GFK)

08-45392 (GFK)

Chapter 11 Cases
Judge Gregory F. Kishel

ORDER ON FIRST OMNIBUS HEARING ON TRUSTEE'S LITIGATION

At St. Paul, Minnesota
April 19, 2011.

These Chapter 11 cases and their docket of trustee-commenced adversary proceedings came before the Court on April 5, 2011, for a First Omnibus Pretrial Hearing pursuant to Term H.(i) of the order on case management procedures entered on January 21, 2011 [Dkt. No. 961]. Appearances were noted in the record. The Trustee's counsel gave a report on the status of the effort toward mediation under Term D. of the order on case management procedures. The Court and counsel addressed various issues on the treatment of defendants' filed motions for dismissal and on the Trustee's pending motion for consolidation of the presentation of issues raised by those motions. On the record made at the First Omnibus Pretrial Hearing,

NOTICE OF ELECTRONIC ENTRY AND FILING ORDER OR JUDGMENT Filed and Docket Entry made on 04/19/2011 Lori Vosejka, Clerk, By JRB, Deputy Clerk

IT IS HEREBY ORDERED:

1. *Pending Motions for Dismissal.* Toward completing the written submissions on motions for dismissal filed thus far:

- a. the Trustee shall file his responses by 5:00 p.m. on April 22, 2011; and
- b. all defendants shall file their replies by 5:00 p.m. on May 13, 2011.

2. *Motion for Procedural Consolidation in Adversary Proceeding Litigation.* The hearing on the Trustee's pending motion to coordinate and consolidate the treatment of issues common to the defense of multiple adversary proceedings [Dkt. No. 1072] is continued to April 27, 2011, at 1:30 p.m. For that hearing, counsel shall be prepared to address:

- a. The groupings of specific adversary proceedings, by name and file number, for the presentation of consolidated issues at single hearings devoted to a particular issue or issues.
- b. The possible separation of other, smaller groupings of adversary proceedings if the parties have raised claims or defenses that are truly, materially distinguishable from those presented in the larger groupings, so as to merit separate briefing, argument, and judicial treatment in decision.
- c. The scheduling of specific issues among three successive half-day court hearings to be set for late May through early June, 2011, with each such hearing contemplated as equal in length of time.
- d. The text for a scheduling order that would comprehensibly describe the way in which the motions for dismissal would proceed to hearing by designated blocks.

The Court will expect defendants' counsel and their clients to avoid unnecessary complication and delay in the presentation of these issues, even as the Court will try to meet any reasonable request for scheduling and presentation to protect truly distinctive positions on the merits in the Trustee's litigation.

3. *Motion for Substantive Consolidation.* The hearing on the Trustee's pending motion for the substantive consolidation of the estates of certain of the Debtors [Dkt. No. 1099] will

go forward as scheduled on *April 20, 2011 at 1:30 p.m.* That hearing will be treated as a preliminary hearing, for the airing of issues of fact and law; the determination of the need, if any, for discovery; and the setting of a schedule for final submission to the Court.

BY THE COURT:

/s/ Gregory F. Kishel

GREGORY F. KISHEL
CHIEF UNITED STATES BANKRUPTCY JUDGE